

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2010-312-E - ORDER NO. 2010-675
OCTOBER 7, 2010

IN RE:	Application of Progress Energy Carolinas,)	ORDER GRANTING
	Incorporated for Authority to Issue Securities)	APPLICATION TO ISSUE
	Pursuant to Revolving Credit Agreement)	SECURITIES PURSUANT
)	TO REVOLVING CREDIT
)	AGREEMENT

Pursuant to S.C. Code Ann. § 58-27-1710 (Supp. 2009), this matter comes before the Public Service Commission of South Carolina ("Commission") on the Application of Progress Energy Carolinas, Inc. ("PEC" or the "Company") to negotiate and enter into a new three-year revolving credit agreement up to \$750,000,000 ("Application"). The Company currently has a \$450,000,000 5¼-year revolving credit agreement that expires June 28, 2011. The Company proposes to negotiate and enter into a new three-year revolving credit agreement ("3-Year RCA") to replace the existing 5¼-year revolving credit agreement ahead of its expiration in order to maintain long-term liquidity in the current accommodative bank market, and to maintain adequate liquidity in the view of the credit rating agencies. Additionally, PEC requests that the Commission authorize the Company to make minor modifications and amendments to the 3-Year RCA as the Company and the participating lender banks deem necessary from time to time, including extending the term of the 3-Year RCA for an additional two years.

PEC states that the 3-Year RCA will allow the Company to meet its continuing short-term funding needs arising in connection with the provision of electricity and related services to the Company's customers. The proposed 3-Year RCA will be with Wells Fargo Bank, N.A. and the Royal Bank of Scotland as agents for certain lender banks. The terms and conditions of the proposed 3-Year RCA are set forth in the Summary of Terms and Conditions, attached to the Company's Application as Exhibit A. The amount of the proposed 3-Year RCA is up to \$750,000,000 with an initial term of three years and the option of two different interest rates per annum on any borrowings.¹

PEC estimates that it will incur expenses of approximately \$3,700,000 in connection with the negotiation and execution of the 3-Year RCA. Additionally, the Company will be charged a facility fee which can range from 15 basis points to 60 basis points based upon the ratings of the Company's long-term, unsecured, senior, non-credit enhanced debt by Standard & Poor's or Moody's Investors Service, Inc. in accordance with Exhibit A of the Application and its attached Pricing Grid.

IT IS THEREFORE ORDERED:

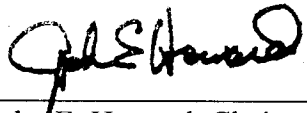
The Application to negotiate and enter into a new three-year Revolving Credit Agreement for an amount not to exceed \$750,000,000 is approved. This new Agreement will replace the existing 5 ¼-year \$450,000,000 agreement that expires on June 28, 2011.

¹ The revolving credit agreement provides back-up liquidity for the Company's lower-cost commercial paper program. The Company's capital stock outstanding at June 30, 2010 consisted of Common Stock with a stated value of \$2,125,000,000 and Preferred Stock with a stated value of \$59,000,000. As of June 30, 2010, the retained earnings of the Company were \$2,785,000,000 and accumulated other comprehensive loss was \$41,000,000. The Company's existing long-term debt at June 30, 2010, amounted to principal amounts of \$3,193,725,000 in First Mortgage Bonds and approximately \$506,000,000 in other long-term debt.

The new Revolving Credit Agreement allows PEC to maintain long-term liquidity in the current accommodative bank market and to maintain adequate liquidity in the view of credit rating agencies. Additionally, PEC is authorized to make minor modifications and amendments to the 3-Year RCA as the Company and the participating lender banks deem necessary from time to time, including extending the term of the 3-Year RCA for an additional two years.

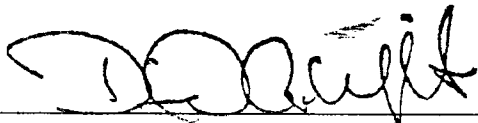
This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



John E. Howard, Chairman

ATTEST:



David A. Wright, Vice Chairman
(SEAL)